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FM AMEMBASSY MANAGUA  
TO RUEHC/SECSTATE WASHDC 0333  
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MANAGUA 001356

SIPDIS

STATE FOR WHA/CEN GSCHIFFER, EB/IFD/OIA, L/CID AND  
WHA/EPSC  
TREASURY FOR INL MDONOVAN AND GCHRISTOPOLUS,  
OWH/MSHWARZMAN  
STATE PASS TO USTR

SENSITIVE  
SIPDIS

E.O. 12958: N/A  
TAGS: [EINV](#) [ECON](#) [USTR](#) [KIDE](#) [NU](#)  
SUBJECT: NICARAGUA: AMBASSADOR RAISES U.S. CITIZEN  
PROPERTY CLAIMS WITH ATTORNEY GENERAL

REF: (A) MANAGUA 01029  
(B) MANAGUA 01207

1. (SBU) Summary: On May 18, the Ambassador called on Attorney General Hernan Estrada to discuss upcoming deliberations for a waiver of Section 527 of the Foreign Relations Authorization Act (Fiscal Years 1994 and 1995). The Ambassador noted that the new government had not resolved a single property case since assuming power on January 10. Not well-versed in the process, Estrada and President of the National Confiscation Review Commission, Martha De Leon claimed that forty American citizen property claims had already been resolved during this waiver year, but could not produce a list. Econoff and LES Legal Specialist explained to Estrada and De Leon that before a resolution can be counted, the claimant must have been informed of an offer and given the chance to negotiate a better deal, or appeal. In the past four months, the Embassy has been informed of no such resolutions. End Summary.

2. (SBU) On May 18, Ambassador, Econoff, and LES Property Specialist called on Nicaraguan Attorney General Hernan Estrada to discuss outstanding American citizen property claims and upcoming deliberations for a possible waiver of Section 527 of the Foreign Relations Authorization Act (Fiscal Years 1994 and 1995). Martha Laura de Leon, President of the National Confiscation Review Commission, accompanied the Attorney General. The Ambassador noted that the Sandinista government had not resolved a single property case since assuming power on January 10. The Ambassador pointed out that the review year concluded in July, and that there is not much time to show progress.

3. (SBU) Estrada and De Leon claimed that forty American citizen property claims had been resolved during this waiver year, but could not produce a list. [Comment: Estrada and De Leon did not seem well-versed in the claims resolution process. Property Superintendent Mireya Molina also mentioned in April a list of a supposed forty resolutions to EconCouns, but the cases still have some distance to travel before they can be termed Qcomplete.Q We wonder if the list includes twenty-nine claims that the Bolanos administration resolved during the first five months of this waiver year.] Econoff and LES

Legal Specialist explained to Estrada and De Leon that before a resolution can be counted, the claimant must have been informed of an offer and given the chance to negotiate a better deal, or appeal. Once a claimant accepts an offer, restitution must take place (through reimbursement, return of property, or a landswap), and a formal, notarized settlement signed. Only then can a case be counted as having been resolved. In the past four months, the Embassy has been informed of no such resolutions.

¶4. (SBU) Estrada reiterated Minister of Foreign Affairs Samuel Santos's recent letter that matters relating to the Embassy-provided list of cases closest to resolution be handled directly by Attorney General Estrada. To pursue these cases, Estrada suggested more frequent meetings with Embassy staff to estimate property values, negotiate settlements, and keep all parties informed. Econoff and LES Property Specialist explained to Estrada that estimates of property value and settlement details are the responsibility of the claimants, their legal representatives, and the GON negotiating party. The Embassy assists and supports U.S. claimants, but cannot negotiate, arbitrate, or litigate on their behalf.

¶5. Comment: Our main concern is that the new government take up the resolution process in good faith and that progress in resolving claims resumes. We believe that Estrada, who has many responsibilities, is not engaged and does not fully understand the process. We hope that the Ambassador's visit has educated him on the importance of making progress. We note that Fernando Coronel, from the Nicaraguan Embassy in Washington, provided us with projected dates, mostly in July, for resolving our list of cases closest to resolution. We believe these dates are unrealistic. Post continues to work with Property Superintendent Molina, Attorney General Estrada, and U.S. claimants to resolve outstanding property claims.

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